

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 01187 111322Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03

H-01 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 PRS-01

SP-02 FEAE-00 OMB-01 /081 W
----- 107746

O 111234Z FEB 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 8260

INFO ALL EC CAPITALS IMMEDIATE 330

LIMITED OFFICIAL USE EC BRUSSELS 1187

E.O. 11652: N/A

TAGS: GATT, ETRD, EAGR, EEC

SUBJECT: GUIDELINES FOR EC PARTICIPATION IN THE MTN'S

REF: A. EC BRUSSELS 448 B. EC BRUSSELS 900

1. BEGIN SUMMARY: THE EC COUNCIL HAS COMPLETED THE EC GUIDELINES FOR TRADE NEGOTIATIONS. IT AGREED TO INCLUDE A PARAGRAPH ON THE PROCEDURE FOR NEGOTIATION ON AGRICULTURAL PRODUCTS, AND TO OPT FOR AN AVERAGE TARIFF CUT IN THE NEGOTIATION OF 25-50 PERCENT. SIR CHRISTOPHER SOAMES

TOLD THE PRESS THAT DESPITE DIFFERENCES BETWEEN THE US TRADE ACT AND THE EC GUIDELINES HE THOUGHT THE PROBLEM COULD BE WORKED OUT IN GENEVA.

END SUMMARY.

2. THE COUNCIL OF MINISTERS (FOREIGN AFFAIRS) COMPLETED WORK ON FEBRUARY 10 ON THE COMMUNITY'S GUIDELINES FOR PARTICIPATION IN THE MULTILATERAL TARIFF NEGOTIATIONS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 01187 111322Z

3. THE DISCUSSIONS RESULTED IN SETTLEMENT OF ALL THE OUTSTANDING

QUESTIONS UNDER DISPUTE. THE MOST IMPORTANT OF THESE WERE AS FOLLOWS:

4. STRUCTURE OF THE NEGOTIATIONS: THE COUNCIL AGREED TO INCLUDE A PARAGRAPH SIMILAR TO THE BRACKETED PARAGRAPH PROPOSED BY THE FRENCH ON THE STRUCTURE INVOLVING NEGOTIATIONS ON AGRICULTURAL QUESTIONS. HOWEVER, THOUGH THE PARAGRAPH STILL CALLS FOR AN AGRICULTURAL BODY TO HANDLE AGRICULTURAL QUESTIONS, IT WAS ALTERED TO ELIMINATE ITS PREVIOUS CALL FOR EXCLUSIVITY. REPRESENTATIVES FROM THE GERMAN AND BRITISH PERMANENT DELEGATIONS INFORMED US THAT THE CHANGES WERE MADE IN THE HOPE OF BEING ABLE TO REACH SOME ACCOMMODATION WITH THE UNITED STATES AT GENEVA. THE PRESIDENT OF THE COUNCIL, FITZGERALD, TOLD A USEC OFFICER PRIVATELY THAT THE NEW VERSION ALLOWS MORE FLEXIBILITY THAN THE OLD ONE IN REGARD TO STRUCTURES, BUT THAT THE MEMBER STATES WOULD WATCH THE COMMISSION CLOSELY. HIJZEN SAID HE FELT THE NEW LANGUAGE ALLOWED NEW OPENINGS, WHICH HE WAS EAGER TO DISCUSS WITH MALMGREN. THE PRELIMINARY ENGLISH TRANSLATION OF THE TEXT OF THE PARAGRAPH IS AS FOLLOWS: BEGIN TRANSLATION: THE ABOVE REMARKS ILLUSTRATE THE SPECIFIC NATURE OF THE AGRICULTURAL SECTOR, WHICH IS REFERRED TO IN THE TOKYO DECLARATION. IN PRACTICAL TERMS, THIS SPECIFIC NATURE OF AGRICULTURE MEANS THAT WITHIN THE NEGOTIATING STRUCTURES THERE MUST BE ONE BODY TO DEAL WITH THE WHOLE RANGE OF AGRICULTURAL AND FOOD PRODUCTS AT EVERY STAGE OF PROCESSING (CHAPTERS 1 TO 24 OF THE CCT). THIS IS THE FRAMEWORK IN WHICH THE COMMUNITY IS PREPARED TO NEGOTIATE ON THE VARIOUS POINTS RELEVANT TO TRADE IN AGRICULTURAL PRODUCTS, WHETHER TARIFFS ARE INVOLVED OR NOT. IF IN OTHER BODIES QUESTIONS WHICH MIGHT CONCERN AGRICULTURE ARE RAISED THE BODY IN CHARGE OF AGRICULTURAL QUESTIONS SHALL BE SEIZED AS FAR AS AGRICULTURAL ASPECTS OF THE PROBLEM ARE CONCERNED. END TRANSLATION.

5. DEPTH OF TARIFF CUTS: A NUMERICAL DESCRIPTION OF THE AVERAGE DEPTH OF TARIFF CUTS SOUGHT BY THE EC IN THE MTN'S HAS BEEN ELIMINATED FROM THE TEXT OF THE GUIDELINES. HOWEVER, THE MINUTES OF THE COUNCIL WILL STATE THAT THE COMMUNITY WILL SEEK A TARIFF FORMULA WHICH WILL RESULT IN AN OVERALL CUT BETWEEN 25 AND 50 PERCENT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 01187 111322Z

6. STOCKPILING AND PRICES IN AGRICULTURAL NEGOTIATIONS: A NEW TEXT WAS AGREED WHICH DROPS THE DISTINCTION BETWEEN STOCKPILING HANDLED ON A NATIONAL BASIS AND STOCKPILING HANDLED ON AN INTERNATIONAL BASIS AS HAD BEEN PROPOSED FOR (SUGAR AND RICE). THE EMPHASIS NOW IS ON NATIONAL (IN THE CASE OF THE EC, COMMUNITY) STOCKPILES. THERE SHOULD BE AN UPPER LIMIT ON THE SIZE OF STOCKPILES. THE DECISION TO TRIGGER

ACCUMULATION OR DEPLETION OF STOCKPILES WOULD BE BASED NO NOT ONLY ON PRICE MOVEMENTS BUT WOULD ALSO TAKE ACCOUNT OF OTHER FACTORS INCLUDING AVAILABILITY.

7. AGRICULTURAL TARIFFS: THE POSSIBILITY OF TARIFF REDUCTIONS ON AGRICULTURAL PRODUCTS PROTECTED SOLELY BY TARIFFS WOULD REQUIRE THAT THERE BE AN ACCEPTABLE BALANCE IN THE LIBERALIZATION OF AGRICULTURAL TRADE, I.E., A BALANCE BETWEEN TARIFF REDUCTIONS ON SOME ITEMS AND COMMODITY AGREEMENTS ON "JOINT DISCIPLINES" FOR OTHER ITEMS. THE MINISTERS AGREED THAT NEGOTIATIONS ON AGRICULTURAL PRODUCTS PROTECTED BY TARIFFS SHOULD TAKE INTO ACCOUNT THE INTERESTS OF THE LDC'S.

8. SAFEGUARDS: NEW LANGUAGE IS INCLUDED WHICH WOULD ALLOW SAFEGUARD ACTION ON PRODUCTS FROM SELECTED COUNTRIES. THE NEW LANGUAGE, HOWEVER, RECONFIRMS BASIC SUPPORT FOR ARTICLE XIX OF THE GATT. THE LANGUAGE DROPS THE RELATIONSHIP BETWEEN THE REQUIREMENT FOR SIMULTANEOUS INTERNAL ADJUSTMENTS, AND EXEMPTION FROM SAFEGUARD COMPENSATIONS.

9. SOAMES' COMMENTS ON US TRADE LEGISLATION: AT THE REQUEST OF SEVERAL MEMBER STATES, SOAMES GAVE THE COUNCIL A CONFIDENTIAL PAPER ANALYZING AND COMMENTING ON THE US TRADE ACT. WE DO NOT YET HAVE THIS PAPER BUT UNDERSTAND THAT IT DEALS WITH THE TRADE ACT ON A SECTION-BY-SECTION BASIS. IT HAS BEEN DESCRIBED TO US AS "FAIRLY CRITICAL" ON VARIOUS ASPECTS. IN SPEAKING TO THE PRESS DURING A BREAK IN THE COUNCIL, HOWEVER, SOAMES INDICATED THAT HE WAS "GENERALLY PLEASED" WITH THE TRADE ACT. HE SAID HE HAD HOPED THAT THE MAXIMUM TARIFF-CUTTING AUTHORITY WOULD BE 75 PERCENT, AS WAS CONTAINED IN THE ORIGINAL HOUSE VERSION. HE DID INDICATE, HOWEVER, THAT IN SPITE OF THIS HE THOUGHT THE US HAD A "GOOD NEGOTIATING MANDATE." WHILE CERTAIN DIFFERENCES REMAINED BETWEEN THE POSITIONS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 01187 111322Z

OF THE US AND THE COMMUNITY -- HE SPECIFICALLY MENTIONED THE PROCEDURE FOR TREATMENT OF AGRICULTURAL PRODUCTS AND THE COMMUNITY'S DESIRES FOR "HARMONIZATION" OF TARIFF LEVELS -- HE THOUGHT THINGS "COULD BE WORKED OUT IN GENEVA." GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, INSTRUCTIONS, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU01187
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750049-0418
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750255/aaaabwvo.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 448, 75 EC BRUSSELS 900
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2003 by KelleyW0>; APPROVED <15 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GUIDELINES FOR EC PARTICIPATION IN THE MTN'S
TAGS: ETRD, EAGR, GATT, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006